these 102 medicines under health programmes funded by Government of India *(e.g.* purchases under National Rural Health Mission etc.). As a result, orders for 102 medicines are placed on pharma CPSEs & their subsidiaries. This would help in revival of sick Pharma CPSEs.

Revival of sick fertilizer units

556. SHRI C. PERUMAL: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that there is an acute growth in consumption of fertilizers during the last three years;

(b) whether it is also a fact that by the end of Eleventh Five Year Plan, demand supply gap is expected to be 20 million tonnes;

(c) if so, what are the proposed actions and policy decision by Government to meet such huge need of fertilizers in the coming years;

(d) whether there is any plan with Government to rejuvenate the sick fertilizer industry by incentivising increased production and investing more to face the growing needs of fertilizers; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) Yes, Sir.

(b) As per the Report of the Working Group on Fertilizers on Eleventh Five Year Plan, the expected demand of all types of fertilizers is likely to be around 559 lakh MT. The supply is proposed to be met through indigenous production/imports.

(c) to (e) In urea sector, in view of the projected improvement in availability of gas in future, the Government is looking into all options for finalization of a new policy, which may attract investments by incentivising increased production from existing units, revival of closed units and setting up of new fertilizer units.

In phosphatic sector, the indigenous resources are meagre and are in a position to meet only 10% of the country's requirement 90% of the country's requirement is being presently met through imports of raw materials, intermediates and finished fertilizers. The potassic requirement is 100% import dependent as currently there are no economically exploitable reserves of potash in the country. The Government is exploring possibilities for setting up Joint Ventures abroad for manufacture/supply of phosphatic and potassic fertilizers.

Subsidy on fertilizers

557. SHRI RAJKUMAR DHOOT: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether increase in MSP for rabi crop and procurement price for Kharif has any impact on the subsidy for fertilizers given to fanners;

(b) if so, the detials thereof;

(c) the amount of subsidy on fertilizers paid during 2006-07 and proposed to be paid during 2007-08; and

(d) how it is ensured that subsidized fertilizers have actually been used to enhance the production of foodgrains and cereals?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) and (b) The increase in MSP for Rabi crop and procurement price for Kharif do not have any direct relationship with the subsidy per tonne on fertilizers given to farmers.

(c) The amount of subsidy released on sale of fertilizers during 2006-07 is Rs. 25952 crore (net). During 2007-08, the total requirement of fertilizer subsidy is estimated at Rs. 45659.40 crore including Rs. 8788.37 crore of carryover liability of 2006-07.

(d) The subsidy on fertilizer is only paid after it reaches the district. Moreover, the subsidized fertilizers are meant for agricultural usage and any non-agricultural usage is punishable under law. Further, it has been observed that increase in consumption of chemicals fertilizer has contributed to increase in agricultural productivity.

Prices of medicines

†558. SHRI DATTA MEGHE: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that the pharmaceutical companies have not reduced the prices of drugs inspite of their promise to reduce the prices of 886 drugs;

(b) what are the reasons of not reducing the prices of drugs by the pharmaceutical companies;

(c) whether it is also a fact that the wholesaler purchases the Centrazil drugs at a cost price of Rs. 1.20 but the sells it to the people at a price of Rs. 37; and

(d) what steps have been taken by Government to remove these irregularities so that the people may get medicines at cheap rates?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) and (b) As a result of Government's efforts, Pharmaceutical industry had voluntarily agreed to reduce prices of 886 formulations. However, the availability of these formulations at reduced prices varies from State to State.

(c) and (d) The bulk drug Cetrizine and formulations based thereon are not under pice control under Drugs (Prices Control) Order, 1995 (DPCO, 1995) Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing expenses, R&D expenses, trade commission, marketing competition, product innovation, product quality etc. The National Pharmaceutical Pricing Authority (NPPA) monitors the prices of non-Scheduled formulations as per monthly Retail Audit Reports of ORG-IMS. The Government takes corrective measures in cases where public interest is found to be adversely affected. NPPA has conducted a market survey and have found that there is a wide difference of trade margin between branched and generic formulations based on Cetrizine. The generic drugs which are promoted by trade have high margins as compared to Scheduled drugs and non-Scheduled branched drugs. However, this segment forms a very small portion of total Pharma market in the country.

The Draft National Pharmaceutical Policy, 2006 contains certain measures for regulating the trade margins. Draft National Pharmaceutical Policy was considered by the Cabinet at

†Original notice of the question was received in Hindi.